NOTICE OF PUBLIC HEARING AND PROCEDURAL CONFERENCE

Petition of Massachusetts Electric Company and Nantucket Electric Company for approval of a distribution rate change for calendar year 2004 for exogenous events.

On November 21, 2003, Massachusetts Electric Company and Nantucket Electric Company (together "MECo" or "Company") filed a petition with the Department of Telecommunications and Energy ("Department") seeking approval of a distribution rate change related to exogenous events occurring after the date of its rate plan settlement approved in Massachusetts Electric Company/Eastern Edison Company, D.T.E. 99-47 (2000). According to the Company, the exogenous events total approximately \$3.1 million. The proposed costs include a credit to customers of approximately \$2.1 million relating to the effect of a change in tax depreciation rules, offset by recovery of approximately \$3.4 million associated with regulatory rule changes related to renewable portfolio standards compliance and standard offer service costs incurred as a result of standard market design, and recovery of approximately \$1.8 million associated with a reclassification of congestion costs from transmission to distribution. MECo sought to implement an exogenous factor of \$0.00014 per kilowatt-hour effective for usage on and after January 1, 2004. On December 29, 2003, the Department denied the Company's petition without prejudice, subject to further review and investigation in this proceeding. Massachusetts Electric Company, D.T.E. 03-124, at 4 (2003).

The Department will hold a public hearing on January 28, 2004, at 2:00 p.m., to receive comments on the Company's petition, at the Department's offices, One South Station, Boston, Massachusetts. Any person who desires to comment may do so at the time and place noted above or submit written comments no later than the close of business (5:00 p.m.) on January 27, 2004. The Department will conduct a procedural conference following the conclusion of the public hearing.

Any person who desires to participate in the evidentiary phase of this proceeding must file a written petition for leave to intervene with the Department not later than the close of business (5:00 p.m.) on January 26, 2004. A petition for leave to intervene must satisfy the

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timing and substantive requirements of 220 C.M.R. § 1.03. Receipt by the Department, not mailing, constitutes filing and determines whether a petition has been timely filed. A petition filed late may be disallowed as untimely, unless good cause is shown for waiver under 220 C.M.R. § 1.01(4). To be allowed, a petition under 220 C.M.R. § 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10.

An original and three (3) of all written comments or petitions to intervene must be filed with Mary L. Cottrell, Secretary, Department of Telecommunications and Energy - One South Station - 2nd Floor, Boston, Massachusetts 02110, not later than the close of business on the dates noted above. One copy of all written comments or petitions to intervene should also be sent to the Company's attorney, Amy G. Rabinowitz, Esq., Massachusetts Electric Company, 25 Research Drive, Westborough, Massachusetts, 01582-0099.

All written pleadings or comments also must be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to dte.efiling@state.ma.us and John.Geary@state.ma.us, or (2) on a 3.5" disk, IBM-compatible format. The text of the e-mail or the disk label must specify: (1) the docket number of the proceeding (D.T.E. 03-124), (2) name of the person or company submitting the filing, and (3) a brief descriptive title of the document. The electronic filing should also include the name, title, and phone number of a person to contact in the event of questions about the filing. Text responses should be written in either Corel Word Perfect (naming the document with a ".wpd" suffix), in Microsoft Word (naming the document with a ".doc" suffix), or as an Adobe PDF file (naming the document with a ".pdf" suffix). Data or spreadsheet responses should be compatible with Microsoft Excel. All written pleadings or comments submitted in electronic format will be posted on the Department's Website, http://www.mass.gov/dpu.

A copy of the Company's petition is available for inspection at the Department's offices, One South Station, Boston, Massachusetts, during normal business hours (Monday through Friday -- 9:00 a.m. to 5:00 p.m.). Copies are also on file for public viewing at the offices of the Company, 25 Research Drive, Westborough, Massachusetts. Any person desiring further information regarding the Company's filing should contact Amy Rabinowitz, Esq., Massachusetts Electric Company at (508) 389-2975. Any person desiring further information regarding this notice should contact John J. Geary, Hearing Officer, Department of Telecommunications and Energy at (617) 305-3500.

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Massachusetts Electric Company and Nantucket Electric Company (together, "MECo" or "Company") shall, no later than January 14, 2004, publish this notice in either the Boston Globe or the Boston Herald, serve a copy of this notice on the service lists for <u>Massachusetts Electric Company/Eastern Edison Company</u>, D.T.E. 99-47 (2000), <u>Massachusetts Electric Company</u>, D.T.E. 02-79 (2003), <u>Massachusetts Electric Company</u>, D.T.E. 03-126, and to any person who has filed a request for notice with the Company. The Company is required to make return of service at the time of the public hearing.

By Order of the Department,

Mary L. Cottrell, Secretary